

Introduction: This is an agreement (hereafter Contract) made on March 28, 2011 , by and between the Terra Foundation (hereafter Sponsor) and Open Source Ecology (hereafter Project) according to the terms below.

Sponsor: Terra Foundation, mailing address, 217 Westmont Dr, San Luis Obispo, CA 93405, is a nonprofit corporation, incorporated in the State of California, with Federal Tax Exemption ID 0298872 and is exempt from federal tax under section 501(c)(3) of the Internal Revenue Code as of 5/15/1990. It is formed exclusively for the purposes of education.

Project: Open Source Ecology (OSE), mailing address of 9 Galloway Court, West Orange, NJ, 07052 is an unincorporated organization formed for the purposes of developing of the open source Global Village Construction Set, the 50 key technologies outlined at <http://opensourceecology.org/gvcs.php> within a time frame of 2 years (until December 21, 2012). The Project shall be represented by Marcin Jakubowski, Ph.D., or his assigns, as documented in writing.

Duration of Contract: This contract shall be in effect until December 21, 2012, unless dissolved prior to this date.

Renewal of this agreement: If both the Sponsor and Project desire to do so, this agreement may be renewed on Date of Signing, and annually thereafter.

Termination: Either party may terminate this Agreement by giving 60 days written notice to the other party. If the Project will continue to exist but one of the parties desires to terminate the Sponsor's fiscal sponsorship of the Project, the following terms and conditions shall apply. Another nonprofit corporation which is tax-exempt under IRC Section 501(c)(3) and is not classified as a private foundation under Section 509(a) must be willing and able to sponsor the Project (the "Successor"). The Successor must be approved in writing by both parties by the end of the 60-day written notice period. If the parties cannot agree on a Successor to sponsor the Project, the Project shall have an additional 60 days to find a Successor willing and able to sponsor the Project. If a Successor is found, the balance of assets held by the Sponsor for the Project, together with any other assets held or liabilities incurred by the Sponsor in connection with the Project, shall be transferred to the Successor at the end of the notice period or any extension thereof, subject to the approval of any third parties (including funding sources) that may be required. If the Project has formed a new organization qualified to be a Successor as set forth in this Paragraph, such organization shall be eligible to receive all such assets and liabilities so long as such organization has received a determination letter from the Internal Revenue Service which states the new organization is exempt from federal tax under section 501(c)(3) of the Internal Revenue Code no later than the end of the notice period or any extension thereof. If no Successor is found, the Sponsor may allocate the Project's assets and liabilities in any manner consistent with applicable tax and charitable trust laws and other obligations. From the time that the notice of termination is given, the Project has the 60 day period until contract termination to spend its funding, consistent with Project's strategic plan.

The Agreement: The Sponsor is willing to receive tax-deductible charitable contributions for the benefit and use of implementing the Project. The Project, with the administrative assistance of the Sponsor, desires to use these funds in order to implement the Project's purposes. By entering into this Agreement, the parties agree to the following terms and conditions:

Receipt of funds and other resources: The Sponsor agrees to receive grants, contributions, gifts, in-

kind donations, and any other tax-deductible commitments to be used for the Project, and to make those funds available to the Project by depositing the funds to the Sponsor bank into a dedicated Project account and making that account accessible to the Project director as sole signatory, or to his assigns as needed.

The Scope: The scope of receipts is limited solely to tax-deductible contributions, grants, matching gifts, and others, made by individuals or corporations, where a tax deduction is sought either by the donor or by the Project.

Acknowledgment of charitable donations on behalf of the Project: The Sponsor agrees that all grants, charitable contributions, gifts, in-kind donations, and any other tax-deductible commitments which it receives for the Project will be reported as contributions to the Sponsor as required by law, and further agrees to acknowledge receipt of any such grant, charitable contribution or gift in writing and to furnish evidence of its status as an exempt organization under Section 501(c)(3) to the donor upon request. The Sponsor agrees to notify the Project of any change in its tax-exempt status. The Sponsor certifies that it is private foundation, and agrees to furnish evidence of its tax-exempt status to the Project, receipt of which is acknowledged by the Project upon signing this contract.

Protection of tax-exempt status: The Project agrees not to use funds received from the Sponsor in any way which would jeopardize the tax-exempt status of the Sponsor. The Project agrees to comply with any written request by the Sponsor that it cease activities which might jeopardize the Sponsor's tax status, and further agrees that the Sponsor's obligation to make funds available to it is suspended in the event that it fails to comply with any such request. Any changes in the purpose for which grant funds are spent must be approved in writing by the Sponsor before implementation. The Sponsor retains the right, if the Project breaches this Agreement, or if the Project jeopardizes the Sponsor's legal or tax status, to withhold, withdraw, or demand immediate return of grant funds.

Use of funds: The Sponsor also authorizes the Project to make expenditures, which do not exceed total contributions for the Project, on the Project's behalf for use in the Project. The Project agrees to use any and all funds received from the Sponsor solely for legitimate expenses. The financial policies of the Sponsor are outlined in the Sponsor's Financial Procedures Manual.

Independent Contractors or Employees: Funds for the project work shall be allocated to Independent Contractors or Employees, such as but not limited to Resource Developers, prototypers, designers, and consultants.

Fundraising: The Project may solicit gifts, contributions, and grants on behalf of the Sponsor which are earmarked for the activities of the Project. The Sponsor shall be responsible for the processing and acknowledgment of all monies received for the project, which shall be reported as the income of the Sponsor for both tax purposes and for purposes of the Sponsor's financial statements. The Sponsor shall set up a dedicated bank account for the Project, including access to a bank card and Project checks.

Project Fees: The Sponsor shall take a 2% fee of any incoming money that is received on behalf of the Project. This money shall be paid only for monetary donations, not in-kind donations. This fee shall be paid by deducting 2% from every cash donation received.

This Agreement will remain in force until the stated end of the project on December 21, 2012 or until it is terminated with 60 days written notice by either the Sponsor or the Project, whichever date is sooner.

Any changes to this contract must be mutually agreed to in writing by both parties.

By signing below, both parties agree to execute this Agreement on the day and year first written above.

Sponsor

By:

Jinda Buel Executive Director Date 6/11/11

Jinda Buel ~~Chair~~, Board of Directors Date 6/11/11

Project

By:

[Signature] Director Date 3/30/11

_____ Project Administrator Date _____

Open Source Ecology
377 SW Wren Rd
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